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# REPORT OF THE SECRETARY-GENERAL ON THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR

## Addendum

1. Part VI A of the Secretaty-General's report dated 21 May 1993 (S/25812) contains a number of references to the proposal of 13 October 1992 on land transfers. This proposal was made to the Government and to the Frente Farabundo Martí para la Liberación Nacional (FMLN) and accepted separately within a few days by each of the two parties. It is a supplement to the peace accords signed in Mexico City on 16 January 1992 and should be deemed an integral part of those accords.

2. In order to facilitate the Security Council's consideration of the report, the text of the proposal, together with a summary, is circulated herewith for the information of the members of the Security Council.

Annex I

[Original: Spanish]

## I. INTRODUCTION

1. The proposal in this document is being made within the framework of United Nations verification of compliance by both Parties with the agreements between the Government of El Salvador and the Frente Farabundo Martí para la Liberación Nacional (FMLN) as at 15 September 1992, according to the timetable adjusted on 19 August 1992.

2. After examining the agricultural situation in El Salvador, the short-term availability of and future prospects for land and financial resources, the economic constraints facing the country and the conditions imposed by donor countries, and taking into account the needs of former combatants of both parties and of current landholders in conflict zones, the Secretary-General is submitting the following proposal for the implementation of the relevant parts of the agreements.

## II. CONSIDERATIONS

### A. Potential beneficiaries

3. Former combatants of FMLN and the Salvadorian armed forces aged 16 years or over on D-Day (1 February 1992) will be beneficiaries of the land transfer, irrespective of their family situation. Landholders of lands within former conflict zones, as defined in the Agreement, including returnees living in these zones, would also be beneficiaries.

4. Land will be transferred to a maximum of 47,500 people (broken down approximately as follows: 7,500 former combatants of FMLN, including the war-disabled; 15,000 former combatants of the Salvadorian armed forces; and 25,000 landholders).

### B. Size of lots

5. Taking into account the various factors which determine the viability of a plot of land for supporting a family, such as soil type, productive potential, type of production, technology, employment, market, infrastructure, etc., it has been decided to apply the criterion of the Salvadorian Institute for Agrarian Reform (ISTA) whereby the size of a lot varies according to soil type as follows:

| Type of soil | Size |
|---|---|
| I-II | 2 manzanas |
| III-IV | 3 manzanas |
| V-VI | 5 manzanas |
| VII-VIII | 7 manzanas |

According to this criterion, 2 manzanas of soil types I and II would be equivalent to 5 manzanas of types V and VI.

6. If land owners are willing to sell, landholders will remain on the lots they currently occupy, provided these are no larger than the maximum established in the above table and no smaller than half that size. If they are resettled, they would be assigned equivalent land using the same criteria.

## C. Payment terms and award of land

7. The Government of El Salvador will have to ensure that former combatants of both Parties and landholders are able to secure the amount of land indicated above.

8. Based on the average price paid by the Land Bank, total estimated resources will be sufficient to purchase the amounts of land specified. Measures would be taken to protect the market against speculation.

9. With regard to the payment terms for beneficiaries, the terms laid down by the agrarian reform (payment over 30 years, 6 per cent annual interest rate and 4-year grace period) are considered acceptable. If revolving funds are established, efforts will be made to ensure that the benefits are distributed equitably.

10. The decision as to whether land should be awarded on an individual or group basis should, in principle, rest with beneficiaries, bearing in mind that beneficiaries of the agrarian reform are clearly given this choice. In the case of lands purchased through the Land Bank, the pro indiviso formula could be used if some buyers want to form associations. Both the associative and the pro indiviso formulas will expedite the transfer and assignment of lands. However, in some cases it may be necessary to comply with the conditions laid down by donor countries for the use of resources.

## III. CONSEQUENCES

### A. Total land required and land currently available

11. For the purpose of calculating land requirements and taking into account the distribution of the different lands in El Salvador, the average size of the lots to be awarded will be taken to be 5 manzanas. Given the number of potential beneficiaries, between 175,000 and 237,500 manzanas would be required, depending on whether landholders have, on average, the minimum or the maximum permitted number of manzanas.

12. Available land is estimated at 85,000 manzanas. This includes State lands already verified (25,000 manzanas), lands in excess of 245 hectares (13,000 manzanas), lands offered for sale to the Land Bank in the municipalities given priority under the National Reconstruction Plan (27,000 manzanas) and lands offered for sale to the Land Bank in the rest of the country (20,000 manzanas).

13. The total land available will be determined once the Special Agrarian Commission of the National Commission for the Consolidation of Peace (COPAZ) has completed verification of the land inventory submitted by FMLN.

### B. Total resources required and resources currently available

14. Using as a basis the average price of sales conducted through the Land Bank up to 31 August 1992, namely $600 per manzana, the total resources required would be between $105 million and $143 million. The amount actually disbursed will be less if more State lands become available.

15. Resources of approximately $46 million will become available between now and February 1993, comprising external funding ($23 million) and internal funding equivalent to the estimated value of State lands ($23 million). Additional external resources totalling $12 million would become available in February 1993.

16. As the programme advances and lands are transferred, the Secretary-General will use his good offices to support efforts to obtain additional financial resources as a substantive contribution to the peace process.

### C. Phases for the land transfer

17. The Government of El Salvador will draw up a land transfer programme immediately according to the following timetable:

(a) First phase (emergency plan): October 1992 to January 1993. During the first phase, which would cover approximately 15,400 beneficiaries, priority will be given to former combatants of FMLN, who would obtain all the

land still available once the situation of current landholders had been legalized. Land would be assigned to former combatants in the following order:

(i) Forty-two State properties which have already been verified (where there are already landholders);

(ii) Other State properties (ISTA or others);

(iii) At the same time, negotiations would be conducted for private properties: those already verified (63 out of 115), those on the FMLN inventory giving priority to the list of 537) and those already offered to the Land Bank.

The $46 million available in this phase would make it possible to transfer 77,000 manzanas at an average price of $600 per manzana. This involves 38,000 manzanas of State-owned land of an estimated value of $23 million and the purchase of 38,500 manzanas.

(b) Second phase: February to April 1993, subject to land availability. During this phase, $12 million would be available for the purchase of 20,000 manzanas. Lands totalling 8,000 manzanas would be available and an additional 12,000 manzanas would be required. Using the same average price, it would be possible to transfer land to a maximum of 4,000 beneficiaries, of whom 1,600 could be settled immediately while the remaining 2,400 would have to wait until the additional 12,000 manzanas became available. On lands where the situation of current landholders has not been legalized, land would be divided equally between former combatants of FMLN, if there are any left over from the first phase, and former combatants of the Salvadorian armed forces.

(c) The third phase would begin once the second phase was complete. In this phase, land would be assigned to the remaining 28,100 beneficiaries. Approximately 140,500 manzanas would have to be purchased, for which $85 million in additional funding would be required.

Former combatants of the Salvadorian armed forces will obtain land where there are no landholders until they have all been settled. Thereafter, landholders on lands whose owners do not wish to sell will be resettled.

18. In order to guarantee the tenure of beneficiaries who have been awarded land, pending completion of the entire legalization process, it is recommended that all beneficiaries be given temporary deeds of transfer as provisional title to the land.

19. Vigorous efforts and good faith on the Government's part will be needed to meet these targets. To permit the rapid transfer of lands, mainly through purchase and sale contracts, it is recommended that the operational capacity of the Land Bank and ISTA and of the Financiera Nacional de Tierras Agrícolas (FINATA) be strengthened if necessary. It is assumed that the Government of

El Salvador would bear the operating costs. Technical assistance in implementing the land transfer programme could be requested from the World Bank and the Food and Agriculture Organization of the United Nations (FAO).

## D. Organizational plan

20. In view of the exceptional nature of the land transfer programme under the Peace Agreement and the urgent need to implement it, a management and coordination unit should be set up as the executive authority for directing and coordinating the action of the Ministry of Agriculture and Livestock. ISTA, the Land Bank and FINATA in all matters related to the implementation of the land transfer programme.

21. In addition, to facilitate implementation of the programme, an oversight committee will have to be set up comprising representatives of the Parties (the Government of El Salvador and FMLN) and of COPAZ (in the person of the acting coordinator of the Special Agrarian Commission). The United Nations Observer Mission in El Salvador (ONUSAL) will also be represented on the committee in order to provide verification and advisory services. The committee's functions will include cross-checking information on landholders and former combatants and monitoring implementation of the programme. It may need an auxillary body to assist it in identifying lands for purchase and sale and may propose legal, administrative or other measures to facilitate the land transfer.

22. The activities of this committee are without prejudice to the mandate of the Special Agrarian Commission of COPAZ, whose verification work it complements.

23. The chief of the management and coordination unit will immediately begin drawing up the emergency plan to implement the land transfer programme without delay, setting targets and deadlines. This plan, and the overall programme, will be submitted to the above-mentioned oversight committee for consideration to ensure the full cooperation of all parties concerned.

## E. Guarantees after the cessation of the armed conflict

24. Since the land transfer process will continue after the cessation of the armed conflict is complete, pending a satisfactory legal solution of the definitive land tenure system in conflict zones, the Government will guarantee landholders in these zones that they will not be evicted and that the status quo will be preserved until the situation is resolved. It will inform landowners of this decision, taken within the framework of the Peace Agreement, by means of a widely circulated public notice and, if necessary, will issue a decree to this effect. FMLN, for its part, will do its utmost to prevent any illegal occupation of lands.

25. Former combatants of FMLN will receive a certificate of land transfer entitlement when they are reintegrated into civil, institutional and political life. Former combatants will be able to apply to the oversight committee, through their representatives, to settle any outstanding cases of land transfer.

## Annex II

[Original: Spanish]

## Summary of the land transfer proposal

### Relevant considerations

Total number of potential beneficiaries

47,500 maximum (7,500 former combatants of FMLN, 15,000 former combatants of the Salvadorian armed forces, 25,000 landholders).

Size of lots

| Type of soil | Size (in manzanas) |
|---|---|
| I-II | 2 |
| III-IV | 3 |
| V-VI | 5 |
| VII-VIII | 7 |

If landowners are willing to sell, landholders will remain on the lots they currently occupy, provided these are no larger than the maximum size given in the above table and no smaller than half that size.

Total land required (for purposes of calculation, the average size of the lots to be awarded to former combatants will be taken to be 5 manzanas and the average size of landholders' lots will be taken to be between 5 manzanas maximum and 2.5 manzanas minimum):

175,000 to 237,500 manzanas (depending on the average maximum and minimum size of the lots occupied by landholders)

(a) 112,500 manzanas (22,500 x 5 manzanas, taken to be the average size of lots for former combatants);

(b) 62,500 manzanas (25,000 x 2.5 manzanas, taken to be the minimum size of landholders' lots;

(c) 125,000 manzanas (25,000 x 5 manzanas, taken to be the maximum size of landholders' lots).

Value of the land to be transferred (for purposes of calculation, the average price of sales conducted through the Land Bank up to 31 August 1992 will be used. Namely, $600 at an exchange rate of $1 = 8.5 colones):

$105 to $142 million

Land available or which could be purchased:

Approximately 85,000 manzanas in four categories:

(a) Verified State lands (25,000 manzanas);

(b) Lands in excess of 245 hectares (13,000 manzanas);

(c) Lands offered to the Land Bank (27,000 manzanas in conflict zones);

(d) Lands offered to the Land Bank (20,000 manzanas outside conflict zones).

Resources which will become available between now and February 1993

External resources:

Immediately available: $23 million (United States Agency for International Development)

Available in February 1993: $12 million (European Economic Community)

Internal resources:

State lands and lands in excess of 245 hectares (38,000 manzanas at $600): $23 million

Three phases of programme implementation:

(a) First phase: October 1992-January 1993

Resources available: $46 million

Land which can be purchased: 77,000 manzanas

Beneficiaries: 15,400 people

Distribution of land: Former combatants of FMLN will obtain all land where there are no landholders.

Note: 8,000 manzanas remain available for the second phase (85,000 manzanas minus the 77,000 manzanas used in this phase).

(b) Second phase: February to April 1993, subject to land availability.

Resources available: $12 million

Land which can be purchased: 20,000 manzanas

Beneficiaries: A maximum of 4,000 people (of whom 1,600 can be settled immediately on the 8,000 manzanas available; the remaining 2,400 will have to wait until an additional 12,000 manzanas become available).

Distribution of land: All land where there are no landholders will be divided equally between FMLN and the Salvadorian armed forces.

(c) Third phase: following completion of the second phase.

Remaining beneficiaries: 28,100 people

Land needing to be purchased: 140,500 manzanas

Additional resources required: $85 million

Distribution of land: Former combatants of the Salvadorian armed forces will obtain land where there are no landholders until they have all been settled. Thereafter, landholders on lands whose owners do not wish to sell will be resettled.

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